

INCOMING (A50) RCD
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DEPARTMENT OF STATE
AFRICAN AFFAIRS

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ACTION AF-00

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INFO LOG-00 ACDA-17 ACDE-00 AID-00 CEA-01 CEO-01 CIAE-00
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R 281458Z MAR 94
FM AMEMBASSY KIGALI
TO SECSTATE WASHDC 606B
INFO USDOC WASHDC
AMEMBASSY BUJUMBURA
AMEMBASSY ABIDJAN
AMEMBASSY BONN
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AMEMBASSY DAR ES SALAAM
AMEMBASSY KAMPALA
AMEMBASSY KINSHASA
AMEMBASSY NAIROBI
AMEMBASSY PARIS
AMEMBASSY YAOUNDE
USCINCEUR VAHINGEN GE//J4-SA/J4-SAA//
DIA WASHDC//CN-4//

UNCLAS KIGALI 01344

DEPT FOR AF/RA, AF/C, AND EB

YAOUNDE FOR DAO

E.O. 12356: N/A
TAGS: ECON, ERGY, EIND, ETRD, NCAP, PINR, PGOV, RV
SUBJECT: GAS AND WATER SHORTAGES ADD TO ELECTRICITY
WOES

REF: A) KIGALI 636 AND B) 93 KIGALI 3994

1. SUMMARY. NEW RATIONING SCHEDULE PROVIDES ONLY SIX HOURS OF ELECTRICITY PER DAY. TIGHTER RATIONING AFFECTING WATER SUPPLY; ELECTRIC WATER PUMPS NOT OPERATIONAL MOST OF THE DAY. FOREIGN EXCHANGE CRISIS HAS LIMITED THE AMOUNT OF GASOLINE PETROWANDA (RWANDA'S NATIONAL PETROLEUM COMPANY) CAN IMPORT INTO THE COUNTRY; RISE IN GASOLINE PRICES EXPECTED. END SUMMARY.

KIGALI DOWN TO SIX HOURS OF ELECTRICITY A DAY

2. ELECTROGAZ (THE RWANDAN UTILITY COMPANY) ISSUED A NEW RATIONING SCHEDULE THAT PROVIDES ONLY SIX HOURS OF ELECTRICITY FROM 6:00 A.M. TO MIDNIGHT TO THE THREE CONSUMPTION SECTORS OF KIGALI. THE PREVIOUS SCHEDULE PROVIDED AT LEAST 12 HOURS OF ELECTRICITY THROUGHOUT THE DAY. AS IN THE PREVIOUS SCHEDULE, EVERYONE IS SUPPOSED TO HAVE ELECTRICITY ALL DAY SUNDAY; FOR THE PAST TWO SUNDAYS, HOWEVER, ELECTRICITY HAS BEEN

RATIONED FOR AT LEAST 6 HOURS.

3. REPORTS THAT THE PROBLEMS AT RUZIZI 11 (SEE REFTL

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A) WERE THE CAUSE OF THE CURRENT ENERGY WOES HAVE NOW BEEN COMPOUNDED BY A MORE RECENT FINDING BY ELECTROGAZ OFFICIALS THAT THERE IS A SHORT IN ONE OF THE MAIN CABLES TO KIGALI. ELECTROGAZ OFFICIALS HAVE SAID THAT IT COULD TAKE THEM ONE DAY TO SEVERAL MONTHS TO FIND THE SHORTED CABLE; APPARENTLY ELECTROGAZ DOES NOT HAVE A SOPHISTICATED SCHEMATIC FOR TRACING THE SOURCES OF PROBLEMS IN THE LINES THAT PROVIDE ELECTRICITY TO THE CAPITAL. ELECTROGAZ HAS ALSO LAID OFF MUCH OF ITS MAINTENANCE STAFF, MAKING ROUTINE FOLLOW UP OF THESE TYPES OF PROBLEMS MORE TIME CONSUMING.

WATER SUPPLY BEING AFFECTED BY ELECTRICITY RATIONING

4. RECENT ELECTRICITY PROBLEMS HAVE BEGUN TO AFFECT THE AVAILABILITY OF WATER IN KIGALI. CERTAIN SECTIONS OF TOWN, NAMELY MINIHURURA AND THE OPPOSITE SIDE OF KIVU (AFFECTING THE USAID MISSION) WERE WITHOUT WATER THE WEEK OF MARCH 21- MARCH 26 DUE TO A WATER MAIN BREAK. THE REST OF KIGALI HAS HAD VERY LOW WATER PRESSURE. ELECTROGAZ OFFICIALS SAID THAT THE SHORTAGES OF WATER AND LOW PRESSURE ARE DUE TO INSUFFICIENT ELECTRICITY FOR RUNNING THE PUMPS THAT SUPPLY THE CITY WITH WATER. THE SITUATION IS NOT EXPECTED TO IMPROVE IN THE SHORT TERM, UNLESS THE ELECTRICITY PROBLEMS ARE RESOLVED SOON.

FOREIGN EXCHANGE CRISIS CAUSING GASOLINE SHORTAGES

5. GASOLINE SHORTAGES HAVE ALSO BEEN REPORTED BY PETROWANDA (THE GOVERNMENT-OWNED PETROLEUM COMPANY). ACCORDING TO COMPANY OFFICIALS, THE COUNTRY'S CURRENT FOREIGN EXCHANGE CRISIS IS AFFECTING PETROWANDA'S OPERATIONS. THE CENTRAL BANK OF RWANDA, REPORTEDLY ONLY HOLDING TWO DAYS OF FOREIGN EXCHANGE RESERVES, CANNOT RELEASE THE HARD CURRENCY PETROWANDA NEEDS TO PAY FOR ITS PETROLEUM IMPORTS. INTERFATIONAL COMPETITORS SUCH AS BRITISH PETROLEUM FINA WHO DO NOT NEED TO DEPEND ON LOCAL SUPPLIES OF FOREIGN EXCHANGE ARE THE ONLY OTHER SOURCE OF GASOLINE IN THE COUNTRY. ALTHOUGH THE EMBASSY HAS RECENTLY SIGNED A PURCHASING

CONTRACT WITH BP FINA AND IS THEREFORE GUARANTEED ITS GASOLINE, OTHER RWANDANS ARE NOT AS FORTUNATE. GASOLINE PRICES ARE EXPECTED TO RISE DUE TO THE SHORTAGE IN SUPPLY.

6. COMMENT: THE LOCAL ECONOMY IS BEING BROUGHT TO ITS KNEES. COMPANIES PREVIOUSLY HAMPERED BY ELECTRICITY SHORTAGES ARE HAVING AN EVEN MORE DIFFICULT TIME NOW THAT WATER AND GASOLINE ARE BECOMING SCARE. THE POLITICIANS RESPONSIBLE FOR THE CURRENT IMPASSE, ARE MORE BENT ON GETTING SEATS IN THE NATIONAL ASSEMBLY AND PORTFOLIOS IN GOVERNMENT THAN IN RESUSCITATING THE ECONOMY. YET THE LONGER THE ECONOMIC SITUATION IS IGNORED, THE HARDER AND MORE DIFFICULT THE RECOVERY

WILL BE. END COMMENT. RAMSON

UNITED STATES DEPARTMENT OF STATE

REVIEW AUTHORITY:
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